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TO SECSTATE WASHDC IMMEDIATE 8482

S E C R E T YEREVAN 001051

DEPT FOR D, EUR A/S FRIED, EUR/DAS BRYZA, EUR/CARC

E.O. 12958: DECL: 12/30/2033

TAGS: [ETTC](#) [PARM](#) [PGOV](#) [PREL](#) [IR](#) [BU](#) [AM](#)

SUBJECT: HARSH REACTION FROM GOAM TO DEPUTY SECRETARY'S  
LETTER ON ARMENIAN ARMS TRANSFER TO IRAN

REF: A. STATE 134490

[1](#)B. YEREVAN 1040

Classified By: AMBASSADOR MARIE L. YOVANOVITCH, REASONS 1.4(B)(D)

[1](#)1. (S) SUMMARY AND COMMENT: On December 30, the Ambassador met separately with Foreign Minister Nalbandian and Presidential Foreign Policy Advisor Sargsian, who both expressed the President's anger over the Deputy Secretary's letter to President Sargsian. They both stated that the U.S. had taken months to act and in the end the U.S. had reversed the process: the intelligence should be shared and a discussion should take place before there is movement towards what steps need to be taken to prevent a future export control violation. Sargsian also expressed concern that Congress and the transition team are being briefed. Both also put the issue in the context of the larger, apparently disappointing bilateral relationship. Nalbandian expressed disappointment in the lack of high-level visits, and Sargsian claimed that U.S. actions could force Armenia to abandon complementarity as its foreign policy and choose to align itself with Russia.

[1](#)2. (S) If there was any doubt before, it is clear now that the Armenians are angry about the letter, angry that this is still an issue, angry we are not accepting the President's assurances that this couldn't have happened, and angry that the issue may poison relations with the new Administration and with Congress. Some of this anger is clearly due to built-up disappointment and frustration over the lack of high-level visits and correspondence and the perception that the neighbors are treated better. Nevertheless, the Armenian attitude makes the expert team's visit even more important and even more challenging. The team will need to be well prepared, as we do not expect the GOAM to accept the intelligence at face value, and there could be some resistance to discussing the measures outlined in the Deputy Secretary's letter. Separately, we will need to focus on the bilateral relationship and how we can work to improve it ) although clearly the outcome of the expert team visit will have more than a little impact on this as well. END  
SUMMARY AND COMMENT.

FOREIGN MINISTER EXPRESSES ANGER OVER LETTER

[1](#)3. (S) On December 30, the last day of the Armenian working year, a visibly angry Foreign Minister Nalbandian called in Ambassador to express official ire with the &very strange letter<sup>8</sup> that Deputy Secretary Negroponte sent President Sargsian. Nalbandian reiterated the President's point that it has been months since this issue was first raised and that the President had at that time offered for a group of American experts to come to Armenia to see for themselves that this could have never happened. Observing that the GOAM paid close attention to this letter "since it does not receive many letters from the U.S," he said the President was "very disappointed" in the letter.

[1](#)4. (S) Nalbandian provided a written response to the Deputy Secretary's letter signed by the Foreign Minister, where the operational sentence reads: "Therefore it is strange that several months later you inform us that the mission from the United States will arrive not to examine the alleged case but to exclude the occurrence of similar cases in the future."

(The letter will be scanned and sent to EUR/CARC.)  
Nalbandian was not particularly mollified when the Ambassador explained that the team would provide an intelligence briefing, answer questions and be prepared to discuss the steps Armenia should take to strengthen its export regime. Ambassador agreed that, perhaps, it would have been more useful to provide the intelligence briefing and then outline the suggested steps, but told Nalbandian that sending the letter first provided an opportunity for the GOAM to review the suggestions and what the GOAM is prepared to do. She noted that it is relatively rare to send such letters and she hoped the GOAM would accept the letter in the spirit in which it was intended: The U.S. wanted to preserve and bolster the bilateral relationship and ensure that Armenia's export control regime was strong enough to ensure that there would not be another export control violation.

#### FM STILL READY FOR CONSTRUCTIVE ENGAGEMENT WITH U.S.

15. (C) Nalbandian observed that Armenia wants good relations with the U.S., and would do its utmost to enhance, deepen and enlarge the existing cooperation between the two countries. He noted that despite Armenia's relationship with Russia, which is no secret -- he had publicly stated this in April and remained committed to this goal. Ambassador agreed, and asked in which areas the two countries should particularly focus to strengthen the relationship. Nalbandian could only note the need for high-level visits as the major Armenian priority. Ambassador agreed that high-level visits would be positive and noted that figures such as the President or Secretary of State usually come to countries when there is something specific to accomplish or highlight. She suggested that she and the Foreign Minister brainstorm about areas where Armenia and the U.S. could make the kind of real progress that would lend itself to a high-level visit.

#### LETTER REVERSES THE DIALOGUE

16. (S) In the evening, Ambassador had a pre-arranged meeting with presidential foreign policy advisor Vigen Sargsian, who had been present on December 26 when Ambassador delivered the Deputy Secretary's letter to President Sargsian. Sargsian got right to the point and made many of the same points that the Foreign Minister had, as well as others. He noted that the Deputy Secretary's letter "changed the dialogue" about the issue. Whereas the Secretary in New York had told the President that we would send an expert team to "verify" the incident, the letter assumed the incident was a fact and jumped right to what steps Armenia should take. The process was reversed. Sargsian said the President was angry and believed that the long delay in providing the information regarding the arms transfer was due to manipulation of the intelligence and that this manipulated information will be provided to the new Administration.

#### CONCERN ABOUT BRIEFINGS TO CONGRESS/NEW ADMINISTRATION; DOUBTS CAST ON INTELLIGENCE

17. (S) Sargsian expressed conviction that the incident couldn't have happened because of the President's certitude, but also raised concerns that Congress is being briefed on the issue. He noted that the President's view is that even when the information is proved wrong, it will be hard to change the minds of those Americans who have received the briefing. Sargsian raised the intelligence regarding Weapons of Mass Destruction in Iraq and asked how the U.S. could be sure that the intelligence regarding Armenia is better vetted. Ambassador assured Sargsian that the intelligence had been closely examined in Washington and told him that when the expert team came to Yerevan, there would be an opportunity to ask questions and challenge the findings. The letter with the suggested steps provided Armenia an opportunity to think about what how it wanted to improve its export control regime before the team arrived.

¶8. (S) As a final note on this subject, Sargsian raised what the Armenians consider to be the protocol breach of a deputy secretary sending a letter to a president, and the Embassy,s failure to provide a signed original. The Ambassador noted that nothing should be read into this, and the export control issue was a serious issue for the U.S. ) and for Armenia. She added that as the details of the expert team,s visit to Yerevan become known, she wanted to be in close touch with Sargsian so that the visit goes as smoothly as possible. The U.S. wants to handle this issue as carefully as possible; we would need Armenian help to do so.

#### U.S. SINS OF OMISSION AND COMMISSION

¶9. (C) Like the Foreign Minister, Sargsian raised the broader issue of the bilateral relationship, but was much franker. He noted that Armenia,s stated policy of complementarity does not come without effort. It,s easier for Armenia not to provide troops for Iraq, Kosovo and soon Afghanistan. It takes a serious effort to undertake such actions and not create problems for the U.S. with the Russians. Armenia is trying to survive in a neighborhood where Russia, Turkey, and Iran all have vast ambitions. Their appetites have not vanished with their empires, the U.S. is a new and powerful player on the block, and Armenia is just trying to survive.

¶10. (C) Sargsian provided a long list of U.S. sins of omission and commission. In the last year, the U.S. had not congratulated Armenia on its presidential elections (unlike Azerbaijan, which had worse elections) and has held back MCC monies. More recently, the appointment of the new RFE/RL director &was a real blow to the bilateral relationship.8 After the Russia-Georgia conflict, the U.S. rushed to help Georgia, but Armenia, which was also hurt, was not offered any additional assistance. And despite the fact that the U.S. had not offered assistance, it pressures Armenia over its relationship with Iran, which was the only country that helped Armenia, providing emergency supplies of gas and wheat. The U.S. relationship with Georgia and Azerbaijan, including frequent high-level visits, do not go unnoticed, he said, and noted that the bilateral relationship does not exist in a void -- relations in the region matter as well. Finally,, citing Ukraine, Georgia, and Kyrgyzstan, Sargsian noted that U.S. promotion of a rapid transition to democracy was not the best model for Armenia. Armenia wants democracy, but at its own pace and without a loss of stability.

#### RELATIONSHIP WITH RUSSIA: &SWEET8

¶11. (C) The president,s advisor said that previously there had been a balance between Armenia,s relationship with Russia and its relationship with the U.S. But now that balance is gone. The relationship with Russia is &sweet.8 Russia provides gas cheaper than it does to Belarus; they are about to provide a &huge8 credit to Armenia; and CSTO countries are evaluating an important change in the CSTO Agreement which would provide a &serious security guarantee8 against a possible Azeri attack. Moreover, unlike the U.S., the Russians never condition their assistance and they don,t pressure Armenia regarding its rapprochement with Turkey, which is sensitive to Russia. This combined with American actions is forcing Armenia to choose Russia. It is increasingly difficult for Armenians who want democracy and good ties with the West to argue that complementarity is the best foreign policy for Armenia. American actions are &provocative8 and the Armenians need something more from the U.S., specifically a high-level visit and the MCC monies that are now on hold.

AMBASSADOR: BILATERAL RELATIONSHIP IMPORTANT; ARMENIA,S CHOICES ARE ARMENIA,S

¶12. (C) Ambassador responded that she agreed that the relationship between the two countries was positive, but

could be improved. She said the U.S. provides millions of dollars of assistance every year, the diaspora provides many important ties, and Armenia has many friends in Washington that care about the country's development. However, the U.S. expects countries to adhere to certain standards, especially the standards that they have signed up to as UN, OSCE, and PACE members. This may not always be comfortable, but in the long-term it is in the interests of the country and the relationship with the United States. The U.S. was not forcing Armenia to make a choice between Russia and the United States; the Armenians were making their own choices about the future of their country. However, the Armenians need to make those choices with their long-term interests in mind, not just their immediate tactical concerns. The Ambassador repeated the suggestion that she had made to the Foreign Minister that it would be useful to brainstorm together, decide on specific objectives and make serious progress towards those goals. This could provide the kind of momentum necessary for a high-level visit, but perhaps lower level visits might be useful in the shorter-term. Sargsian was as unenthusiastic as Nalbandian, and simply repeated that principals would have many issues to discuss if they met.

YOVANOVITCH